

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

2004

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2004, or tax year beginning _____, and ending _____

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Name of organization
ROSE-MARIE AND JACK R. ANDERSON
 Otherwise, print or type. **FOUNDATION**

Number and street (or P O box number if mail is not delivered to street address) Room/suite
16475 DALLAS PARKWAY **735**

See Specific Instructions. City or town, state, and ZIP code
ADDISON, TX 75001

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) J Accounting method: Cash Accrual
 (Part I, column (d) must be on cash basis.) Other (specify) _____

► \$ 43,360,047.

Part I Analysis of Revenue and Expenses
 (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

| | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|------------------------------------|---------------------------|-------------------------|---|
| 1 Contributions, gifts, grants, etc., received | 1,084,900. | | N/A | |
| 2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B Interest on savings and temporary cash investments | | | | |
| 3 Dividends and interest from securities | 55,576. | 55,576. | | STATEMENT 2 |
| 5a Gross rents | 1,173,962. | 1,173,962. | | STATEMENT 3 |
| b Net rental income or (loss) Net gain or (loss) from sale of assets not on line 10 | <69,756.► | | | STATEMENT 1 |
| b Gross sales price for all assets on line 6a | 4,994,995. | | | |
| 7 Capital gain net income (from Part IV, line 2) | | 0. | | |
| 8 Net short-term capital gain | | | | |
| 9 Income modifications Gross sales less returns and allowances | | | | |
| 10a b Less Cost of goods sold | | | | |
| c Gross profit or (loss) | | | | |
| 11 Other income | <11,019.► | <11,019.► | | STATEMENT 4 |
| 12 Total. Add lines 1 through 11 | 2,233,663. | 1,218,519. | | |
| 13 Compensation of officers, directors, trustees, etc | 0. | 0. | | 0. |
| 14 Other employee salaries and wages | | | | |
| 15 Pension plans, employee benefits | | | | |
| 16a Legal fees | | | | |
| b Accounting fees | 3,250. | 813. | | 2,438. |
| c Other professional fees | 96,000. | 24,000. | | 72,000. |
| 17 Interest RECEIVED | 3,222. | 3,222. | | 0. |
| 18 Taxes STMT 7 | 40,914. | 0. | | 0. |
| 19 Depreciation and depletion | 115. | 0. | | |
| 20 Occupancy IRSC | 857. | 0. | | 857. |
| 21 Travel, conferences, and meetings | | | | |
| 22 Printing and publications | | | | |
| 23 Other expenses STMT 8 | 8,521. | 8,515. | | 6. |
| 24 Total operating and administrative expenses. Add lines 13 through 23 | 152,879. | 36,550. | | 75,301. |
| 25 Contributions, gifts, grants paid | 1,649,750. | | | 1,649,750. |
| 26 Total expenses and disbursements. Add lines 24 and 25 | 1,802,629. | 36,550. | | 1,725,051. |
| 27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements | 431,034. | | | |
| b Net investment income (if negative, enter -0-) | | 1,181,969. | | |
| c Adjusted net income (if negative, enter -0-) | | | N/A | |

LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

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75-2542403

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| | Part II Balance Sheets | Attached schedules and amounts in the description column should be for end-of-year amounts only | Beginning of year | End of year | |
|--|--|---|-------------------|----------------|-----------------------|
| | | | (a) Book Value | (b) Book Value | (c) Fair Market Value |
| | 1 Cash - non-interest-bearing | | | | |
| | 2 Savings and temporary cash investments | | 6,280,102. | 5,557,467. | 5,557,467. |
| | 3 Accounts receivable ► | | | | |
| | Less: allowance for doubtful accounts ► | | | | |
| | 4 Pledges receivable ► | | | | |
| | Less: allowance for doubtful accounts ► | | | | |
| | 5 Grants receivable | | | | |
| | 6 Receivables due from officers, directors, trustees, and other disqualified persons | | | | |
| | 7 Other notes and loans receivable ► | | | | |
| | Less: allowance for doubtful accounts ► | | | | |
| | 8 Inventories for sale or use | | | | |
| | 9 Prepaid expenses and deferred charges | | | | |
| | 10a Investments - U.S. and state government obligations | STMT 9 | 19,582,175. | 16,400,282. | 16,486,120. |
| | b Investments - corporate stock | STMT 10 | 13,037,535. | 17,224,277. | 20,093,489. |
| | c Investments - corporate bonds | | | | |
| | 11 Investments - land, buildings, and equipment basis ► | | | | |
| | Less accumulated depreciation ► | | | | |
| | 12 Investments - mortgage loans | | | | |
| | 13 Investments - other | | | | |
| | 14 Land, buildings, and equipment basis ► | 24,833. | | | |
| | Less accumulated depreciation | STMT 11 ► | 24,833. | 115. | |
| | 15 Other assets (describe ► | STATEMENT 12) | 983,202. | 1,132,137. | 1,222,971. |
| | 16 Total assets (to be completed by all filers) | | 39,883,129. | 40,314,163. | 43,360,047. |
| | 17 Accounts payable and accrued expenses | | | | |
| | 18 Grants payable | | | | |
| | 19 Deferred revenue | | | | |
| | 20 Loans from officers, directors, trustees, and other disqualified persons | | | | |
| | 21 Mortgages and other notes payable | | | | |
| | 22 Other liabilities (describe ► |) | | | |
| | 23 Total liabilities (add lines 17 through 22) | | 0. | 0. | |
| | Organizations that follow SFAS 117, check here ► | <input type="checkbox"/> | | | |
| | and complete lines 24 through 26 and lines 30 and 31. | | | | |
| | 24 Unrestricted | | | | |
| | 25 Temporarily restricted | | | | |
| | 26 Permanently restricted | | | | |
| | Organizations that do not follow SFAS 117, check here ► | <input checked="" type="checkbox"/> | | | |
| | and complete lines 27 through 31. | | | | |
| | 27 Capital stock, trust principal, or current funds | | 0. | 0. | |
| | 28 Paid-in or capital surplus, or land, bldg., and equipment fund | | 0. | 0. | |
| | 29 Retained earnings, accumulated income, endowment, or other funds | | 39,883,129. | 40,314,163. | |
| | 30 Total net assets or fund balances | | 39,883,129. | 40,314,163. | |
| | 31 Total liabilities and net assets/fund balances | | 39,883,129. | 40,314,163. | |

Part III Analysis of Changes in Net Assets or Fund Balances

| | | |
|---|---|-------------|
| 1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) | 1 | 39,883,129. |
| 2 Enter amount from Part I, line 27a | 2 | 431,034. |
| 3 Other increases not included in line 2 (itemize) ► | 3 | 0. |
| 4 Add lines 1, 2, and 3 | 4 | 40,314,163. |
| 5 Decreases not included in line 2 (itemize) ► | 5 | 0. |
| 6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 | 6 | 40,314,163. |

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Part IV Capital Gains and Losses for Tax on Investment Income

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.) | | | (b) How acquired P - Purchase D - Donation | (c) Date acquired (mo., day, yr.) | (d) Date sold (mo., day, yr.) |
|---|--|---|---|--------------------------------------|----------------------------------|
| 1a | | | | | |
| b | SEE ATTACHED STATEMENT | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | 4,994,995. | 5,064,751. | <69,756. > | | |
| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (I) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) | | |
| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | <69,756. > | | |
| 2 Capital gain net income or (net capital loss). { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 } | | | 2 | <69,756. > | |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 | | | 3 | N/A | |

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Yes No

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period?

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

| (a) Base period years Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (col. (b) divided by col. (c)) |
|--|--|--|---|
| 2003 | 1,750,847. | 37,460,116. | .0467390 |
| 2002 | 1,783,573. | 35,487,368. | .0502594 |
| 2001 | 1,826,672. | 35,668,342. | .0512127 |
| 2000 | 1,944,325. | 37,086,480. | .0524268 |
| 1999 | 1,870,823. | 39,606,737. | .0472350 |

2 Total of line 1, column (d)

2 **.2478729**

3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

3 **.0495746**

4 Enter the net value of noncharitable-use assets for 2004 from Part X, line 5

4 **40,263,433.**

5 Multiply line 4 by line 3

5 **1,996,044.**

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 **11,820.**

7 Add lines 5 and 6

7 **2,007,864.**

8 Enter qualifying distributions from Part XII, line 4

8 **1,725,051.**

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

| | | | | |
|----|---|--|----------|---------|
| 1a | Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1. | (attach copy of ruling letter if necessary-see instructions) | 1 | 23,639. |
| b | Domestic organizations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b | | | |
| c | All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b) | | | |
| 2 | Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | | | |
| 3 | Add lines 1 and 2 | | | |
| 4 | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | | | |
| 5 | Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0- | | | |
| 6 | Credits/Payments: | | | |
| a | 2004 estimated tax payments and 2003 overpayment credited to 2004 | 6a | 20,000. | |
| b | Exempt foreign organizations - tax withheld at source | 6b | | |
| c | Tax paid with application for extension of time to file (Form 8868) | 6c | | |
| d | Backup withholding erroneously withheld | 6d | | |
| 7 | Total credits and payments. Add lines 6a through 6d | 7 | 20,000. | |
| 8 | Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached | 8 | 130. | |
| 9 | Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed | 9 | 3,769. | |
| 10 | Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid | 10 | | |
| 11 | Enter the amount of line 10 to be: Credited to 2005 estimated tax ► | 11 | Refunded | |

Part VII-A Statements Regarding Activities

| | | | |
|----|---|-----|-----|
| 1a | During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? | Yes | No |
| 1b | Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities</i> | X | |
| 1c | Did the organization file Form 1120-POL for this year? | X | |
| d | Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization. ► \$ <u>0.</u> (2) On organization managers. ► \$ <u>0.</u> | | |
| e | Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. ► \$ <u>0.</u> | | |
| 2 | Has the organization engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i> | X | |
| 3 | Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i> | X | |
| 4a | Did the organization have unrelated business gross income of \$1,000 or more during the year? | X | |
| b | If "Yes," has it filed a tax return on Form 990-T for this year? | N/A | |
| 5 | Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i> | X | |
| 6 | Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | X | |
| 7 | Did the organization have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i> | X | |
| 8a | Enter the states to which the foundation reports or with which it is registered (see instructions) ► <u>TEXAS</u> | | |
| b | If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i> | X | |
| 9 | Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2004 or the taxable year beginning in 2004 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i> | X | |
| 10 | Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i> | X | |
| 11 | Did the organization comply with the public inspection requirements for its annual returns and exemption application? Web site address ► <u>N/A</u> | X | |
| 12 | The books are in care of ► <u>NEIL R. ANDERSON</u> Telephone no. ► <u>972-248-7350</u> Located at ► <u>16475 DALLAS PARKWAY, SUITE 735, ADDISON, TX</u> ZIP+4 ► <u>75001</u> | | |
| 13 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ► <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year | 13 | N/A |

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1a During the year did the organization (either directly or indirectly):

- (1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes No
- (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes No
- (6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) Yes No

b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?

Organizations relying on a current notice regarding disaster assistance check here ►

c Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2004?

2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):

a At the end of tax year 2004, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2004? Yes No

If "Yes," list the years ► _____, _____, _____, _____.

b Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A

c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.

► _____, _____, _____, _____.

3a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes No

b If "Yes," did it have excess business holdings in 2004 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2004.) N/A

4a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?

b Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2004? 4b X

5a During the year did the organization pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

Organizations relying on a current notice regarding disaster assistance check here ►

c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If you answered "Yes" to 6b, also file Form 8870. 6b X

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|----------------------|---|---|---|---------------------------------------|
| SEE STATEMENT 13 | | 0. | 0. | 0. |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

| (a) Name and address of each employee paid more than \$50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|---|--|------------------|---|---------------------------------------|
| NONE | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Total number of other employees paid over \$50,000 ► 0

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

| (a) Name and address of each person paid more than \$50,000 | (b) Type of service | (c) Compensation |
|--|---------------------|------------------|
| CALVER FUND, INC. 16475 DALLAS PARKWAY, STE 735, ADDISON, TX 7500 | MANAGEMENT FEES | 96,000. |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Total number of others receiving over \$50,000 for professional services ► 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

| 1 | N/A | Expenses |
|---|-----|----------|
| 2 | | |
| 3 | | |
| 4 | | |

Part IX-B Summary of Program-Related Investments

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2. | | Amount |
|---|--|-----------|
| 1 | N/A | |
| 2 | | |
| 3 | All other program-related investments. See instructions. | |
| Total. Add lines 1 through 3 | ► | 0. |

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions.)

| | | | |
|---|---|----|--------------------|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: | | |
| a | Average monthly fair market value of securities | 1a | 34,433,885. |
| b | Average of monthly cash balances | 1b | 6,436,687. |
| c | Fair market value of all other assets | 1c | 6,010. |
| d | Total (add lines 1a, b, and c) | 1d | 40,876,582. |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e | 0. |
| 2 | Acquisition indebtedness applicable to line 1 assets | 2 | 0. |
| 3 | Subtract line 2 from line 1d | 3 | 40,876,582. |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | 4 | 613,149. |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 40,263,433. |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 | 2,013,172. |

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ► and do not complete this part.)

| | | | |
|----|---|----|-------------------|
| 1 | Minimum investment return from Part X, line 6 | 1 | 2,013,172. |
| 2a | Tax on investment income for 2004 from Part VI, line 5 | 2a | 23,639. |
| b | Income tax for 2004. (This does not include the tax from Part VI.) | 2b | |
| c | Add lines 2a and 2b | 2c | 23,639. |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 1,989,533. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | 0. |
| 5 | Add lines 3 and 4 | 5 | 1,989,533. |
| 6 | Deduction from distributable amount (see instructions) | 6 | 0. |
| 7 | Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | 7 | 1,989,533. |

Part XII Qualifying Distributions (see instructions)

| | | | |
|---|---|----|-------------------|
| 1 | Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes: | | |
| a | Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26 | 1a | 1,725,051. |
| b | Program-related investments - total from Part IX-B | 1b | 0. |
| 2 | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes | 2 | |
| 3 | Amounts set aside for specific charitable projects that satisfy the: | | |
| a | Suitability test (prior IRS approval required) | 3a | |
| b | Cash distribution test (attach the required schedule) | 3b | |
| 4 | Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 | 4 | 1,725,051. |
| 5 | Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b | 5 | 0. |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 1,725,051. |

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

| | (a) Corpus | (b) Years prior to 2003 | (c) 2003 | (d) 2004 |
|--|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2004 from Part XI, line 7 | | | | 1,989,533. |
| 2 Undistributed income, if any, as of the end of 2003 | | | 1,704,585. | |
| a Enter amount for 2003 only | | | | |
| b Total for prior years: | | 0. | | |
| 3 Excess distributions carryover, if any, to 2004: | | | | |
| a From 1999 | | | | |
| b From 2000 | | | | |
| c From 2001 | | | | |
| d From 2002 | | | | |
| e From 2003 | | | | |
| f Total of lines 3a through e | 0. | | | |
| 4 Qualifying distributions for 2004 from Part XII, line 4: ► \$ 1,725,051. | | | 1,704,585. | |
| a Applied to 2003, but not more than line 2a | | | | |
| b Applied to undistributed income of prior years (Election required - see instructions) | | 0. | | |
| c Treated as distributions out of corpus (Election required - see instructions) | 0. | | | |
| d Applied to 2004 distributable amount | | | | 20,466. |
| e Remaining amount distributed out of corpus | 0. | | | 0. |
| 5 Excess distributions carryover applied to 2004 (If an amount appears in column (d), the same amount must be shown in column (a)) | 0. | | | |
| 6 Enter the net total of each column as indicated below: | 0. | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | | | | |
| b Prior years' undistributed income. Subtract line 4b from line 2b | | 0. | | |
| c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed | | 0. | | |
| d Subtract line 6c from line 6b. Taxable amount - see instructions | | 0. | | |
| e Undistributed income for 2003. Subtract line 4a from line 2a. Taxable amount - see instr. | | | | 0. |
| f Undistributed income for 2004. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2005 | | | | 1,969,067. |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) | 0. | | | |
| 8 Excess distributions carryover from 1999 not applied on line 5 or line 7 | 0. | | | |
| 9 Excess distributions carryover to 2005. Subtract lines 7 and 8 from line 6a | 0. | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2000 | | | | |
| b Excess from 2001 | | | | |
| c Excess from 2002 | | | | |
| d Excess from 2003 | | | | |
| e Excess from 2004 | | | | |

ROSE-MARIE AND JACK R. ANDERSON
Form 990-PF (2004) FOUNDATION

75-2542403 Page 10

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

| Recipient Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|--|--|--------------------------------------|-------------------------------------|------------------------|
| a <i>Paid during the year</i> | | | | |
| SEE ATTACHED SCHEDULE | | | | 1,649,750. |
| Total | | | | ► 3a 1,649,750. |
| b <i>Approved for future payment</i> | | | | |
| NONE | | | | |
| Total | | | | ► 3b 0. |

423801/01-03-05

Form 990-PF (2004)

Part XVI-A Analysis of Income-Producing Activities

| Enter gross amounts unless otherwise indicated. | | Unrelated business income | | (e) Related or exempt function income | |
|---|--|---------------------------|---------------|---|------------|
| | | (a) Business code | (b) Amount | | |
| 1 Program service revenue: | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 2 Membership dues and assessments | | | | | |
| 3 Interest on savings and temporary cash investments | | | | 14 55,576. | |
| 4 Dividends and interest from securities | | | | 14 1,173,962. | |
| 5 Net rental income or (loss) from real estate: | | | | | |
| a Debt-financed property | | | | | |
| b Not debt-financed property | | | | | |
| 6 Net rental income or (loss) from personal property | | | | | |
| 7 Other investment income | | | | 14 <11,019.> | |
| 8 Gain or (loss) from sales of assets other than inventory | | | | 18 <69,756.> | |
| 9 Net income or (loss) from special events | | | | | |
| 10 Gross profit or (loss) from sales of inventory | | | | | |
| 11 Other revenue: | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 12 Subtotal. Add columns (b), (d), and (e) | | | 0. | 1,148,763. | 0. |
| 13 Total. Add line 12, columns (b), (d), and (e) | | | | 13 | 1,148,763. |
| (See worksheet in line 13 instructions to verify calculations.) | | | | | |

Relationship of Activities to the Accomplishment of Exempt Purposes

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (1) Cash
- (2) Other assets

b Other transactions:

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitation

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

2a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If "Yes," complete the following schedule.

| (a) Name of organization | (b) Type of organization | (c) Description of relationship |
|--------------------------|--------------------------|---------------------------------|
| | N/A | |
| | | |
| | | |
| | | |

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer or trustee

5/12/05
Data

→ Title

| | | | | | |
|--|--|-------------------------|--------|----------------------------|------------------------|
| Sign Here | | Preparer's signature | Date | Check if self-employed | Preparer's SSN or PTIN |
| Paid Preparer's Use Only | ► <i>De Tewlow</i> | | 5/6/05 | ► <input type="checkbox"/> | |
| Firm's name (or yours if self-employed), address, and ZIP code | WEAVER AND TIDWELL, L.L.P. ► 12221 MERIT DRIVE, SUITE 1400 DALLAS, TEXAS 75251 | | | EIN | ► |
| | | | | Phone no. (972) 490-1970 | |

Schedule B
(Form 990, 990-EZ, or
990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2004

Name of organization

**ROSE-MARIE AND JACK R. ANDERSON
FOUNDATION**

Employer identification number

75-2542403

Organization type (check one).

Filers of:

Section:

Form 990 or 990-EZ

 501(c)() (enter number) organization 4947(a)(1) nonexempt charitable trust not treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule—see instructions.)**General Rule-**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the Parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2004)

Name of organization

ROSE-MARIE AND JACK R. ANDERSON
FOUNDATION

Employer identification number

75-2542403

Part I Contributors (See Specific Instructions.)

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|------------|-----------------------------------|--------------------------------|--|
| 1 | MR. & MRS. JACK R. ANDERSON | \$ 1,084,900. | <input type="checkbox"/> Person <input type="checkbox"/> Payroll <input checked="" type="checkbox"/> Noncash |
| | 16475 DALLAS PARKWAY, SUITE 735 | | (Complete Part II if there is a noncash contribution.) |
| | ADDISON, TX 75001 | | |
| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
| | | \$ _____ | <input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash |
| | | | (Complete Part II if there is a noncash contribution.) |
| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
| | | \$ _____ | <input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash |
| | | | (Complete Part II if there is a noncash contribution.) |
| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
| | | \$ _____ | <input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash |
| | | | (Complete Part II if there is a noncash contribution.) |
| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
| | | \$ _____ | <input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash |
| | | | (Complete Part II if there is a noncash contribution.) |
| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
| | | \$ _____ | <input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash |
| | | | (Complete Part II if there is a noncash contribution.) |

Name of organization

ROSE-MARIE AND JACK R. ANDERSON
FOUNDATION

Employer identification number

75-2542403

Part II Noncash Property (See Specific Instructions.)

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|------------------------------|--|--|----------------------|
| 1 | 20,000 SHARES PACIFICARE HEALTH SYSTEM COMMON STOCK | \$ 1,084,900. | 12/13/04 |
| | | | |
| | | \$ | |
| | | | |
| | | \$ | |
| | | | |
| | | \$ | |
| | | | |
| | | \$ | |
| | | | |
| | | \$ | |

Part IV Capital Gains and Losses for Tax on Investment Income

| (a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co. | | (b) How acquired P - Purchase D - Donation | (c) Date acquired (mo., day, yr.) | (d) Date sold (mo., day, yr.) |
|---|--------------------------------------|--|--------------------------------------|----------------------------------|
| 1a | REDEMPTION OF 08/18 FHLMC 4.25% BOND | P | 08/01/03 | 03/12/04 |
| b | REDEMPTION OF 02/04 FNMA 5.125% BOND | P | 02/28/00 | 02/13/04 |
| c | REDEMPTION OF 05/07 FNMA 7.5% BOND | P | 06/19/00 | 05/04/04 |
| d | REDEMPTION OF 07/04 TVA 4.75% BOND | P | 02/25/03 | 07/15/04 |
| e | REDEMPTION OF 12/04 USTSY 1.75% BOND | P | 05/14/03 | 12/31/04 |
| f | FROM K-1 - SF SENTRY | VARIOUS | VARIOUS | |
| g | FROM K-1 - SF SENTRY | VARIOUS | VARIOUS | |
| h | | | | |
| i | | | | |
| j | | | | |
| k | | | | |
| l | | | | |
| m | | | | |
| n | | | | |
| o | | | | |

| (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) |
|-----------------------|--|---|--|
| a 994,995. | | 1,000,000. | <5,005.> |
| b 1,000,000. | | 939,029. | 60,971. |
| c 1,000,000. | | 1,012,787. | <12,787.> |
| d 1,000,000. | | 1,048,404. | <48,404.> |
| e 1,000,000. | | 1,007,662. | <7,662.> |
| f | | 56,533. | <56,533.> |
| g | | 336. | <336.> |
| h | | | |
| i | | | |
| j | | | |
| k | | | |
| l | | | |
| m | | | |
| n | | | |
| o | | | |

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | (l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-") |
|---------------------------|--------------------------------------|---|---|
| a | | | <5,005.> |
| b | | | 60,971. |
| c | | | <12,787.> |
| d | | | <48,404.> |
| e | | | <7,662.> |
| f | | | <56,533.> |
| g | | | <336.> |
| h | | | |
| i | | | |
| j | | | |
| k | | | |
| l | | | |
| m | | | |
| n | | | |
| o | | | |

| | | | |
|---|---|---|-----------|
| 2 Capital gain net income or (net capital loss) | { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 } | 2 | <69,756.> |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 | | 3 | N/A |

2004 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

| Asset No | Description | Date Acquired | Method | Life | Line No | Unadjusted Cost Or Basis | Bus % Excl | Reduction In Basis | Basis For Depreciation | Accumulated Depreciation | Current Sec 179 | Amount Of Depreciation |
|----------|-------------------------------------|---------------|--------|------|---------|--------------------------|------------|--------------------|------------------------|--------------------------|-----------------|------------------------|
| 1 | ORGANIZATIONAL COSTS | 061394 | 248 | 60M | 43 | 22,864. | | | 22,864. | 22,864. | | 0. |
| 2 | OFFICE EQUIPMENT | 041599 | 200DB | 5.00 | 17 | 985. | | | 985. | 927. | | 58. |
| 3 | OFFICE EQUIPMENT | 061599 | 200DB | 5.00 | 17 | 984. | | | 984. | 927. | | 57. |
| | * TOTAL 990-PF PG 1 DEPR & AMORT | | | | | 24,833. | | 0. | 24,833. | 24,718. | 0. | 115. |

FORM 990-PF

GAIN OR (LOSS) FROM SALE OF ASSETS

STATEMENT 1

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|--------------------------------------|-------------------------------|---------------------------|------------------|---------------------|
| REDEMPTION OF 08/18 FHLMC 4.25% BOND | | PURCHASED | 08/01/03 | 03/12/04 |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
| 994,995. | 1,000,000. | 0. | 0. | <5,005.> |

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|--------------------------------------|-------------------------------|---------------------------|------------------|---------------------|
| REDEMPTION OF 02/04 FNMA 5.125% BOND | | PURCHASED | 02/28/00 | 02/13/04 |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
| 1,000,000. | 939,029. | 0. | 0. | 60,971. |

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|------------------------------------|-------------------------------|---------------------------|------------------|---------------------|
| REDEMPTION OF 05/07 FNMA 7.5% BOND | | PURCHASED | 06/19/00 | 05/04/04 |
| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
| 1,000,000. | 1,012,787. | 0. | 0. | <12,787.> |

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|------------------------------------|--|--------------------|------------------|-----------|
| REDEMPTION OF 07/04 TVA 4.75% BOND | | PURCHASED | 02/25/03 | 07/15/04 |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| 1,000,000. | 1,048,404. | 0. | 0. | <48,404. > |

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|--------------------------------------|--|--------------------|------------------|-----------|
| REDEMPTION OF 12/04 USTSY 1.75% BOND | | PURCHASED | 05/14/03 | 12/31/04 |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| 1,000,000. | 1,007,662. | 0. | 0. | <7,662. > |

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|--------------------------------|--|--------------------|------------------|-----------|
| FROM K-1 - SF SENTRY | | PURCHASED | VARIOUS | VARIOUS |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| 0. | 56,533. | 0. | 0. | <56,533. > |

| (A) DESCRIPTION OF PROPERTY | | MANNER ACQUIRED | DATE ACQUIRED | DATE SOLD |
|--------------------------------|--|--------------------|------------------|-----------|
| FROM K-1 - SF SENTRY | | PURCHASED | VARIOUS | VARIOUS |

| (B) GROSS SALES PRICE | (C) COST OR OTHER BASIS | (D) EXPENSE OF SALE | (E) DEPREC. | (F) GAIN OR LOSS |
|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| 0. | 336. | 0. | 0. | <336. > |

| | | | | |
|---------------------------------------|--|--|--|------------|
| CAPITAL GAINS DIVIDENDS FROM PART IV | | | | 0. |
| TOTAL TO FORM 990-PF, PART I, LINE 6A | | | | <69,756. > |

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

| SOURCE | AMOUNT |
|--|---------|
| MERRILL LYNCH | 55,576. |
| TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A | 55,576. |

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

| SOURCE | GROSS AMOUNT | CAPITAL GAINS DIVIDENDS | COLUMN (A) AMOUNT |
|----------------------------------|--------------|-------------------------|-------------------|
| FROM K-1 - NGN BIOMED OPPOR I | 475. | 0. | 475. |
| FROM K-1 - SF SENTRY | 2,069. | 0. | 2,069. |
| LESS PURCHASED INTEREST: 06/13 | | | |
| FHLB 3.875% | <15,931.> | 0. | <15,931.> |
| LESS PURCHASED INTEREST: 4/14 | | | |
| FNMA 4.125% | <5,385.> | 0. | <5,385.> |
| MERRILL LYNCH - DIV | 90,709. | 0. | 90,709. |
| MERRILL LYNCH - INT | 1,021,852. | 0. | 1,021,852. |
| VANGUARD S&P 500 INDEX | 80,173. | 0. | 80,173. |
| TOTAL TO FM 990-PF, PART I, LN 4 | 1,173,962. | 0. | 1,173,962. |

FORM 990-PF OTHER INCOME STATEMENT 4

| DESCRIPTION | AMOUNT |
|---|-----------|
| FROM K-1 - SF SENTRY | <11,019.> |
| TOTAL TO FORM 990-PF, PART I, LINE 11, COLUMN A | <11,019.> |

FORM 990-PF

ACCOUNTING FEES

STATEMENT 5

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| ACCOUNTING SERVICES | 3,250. | 813. | | 2,438. |
| TO FORM 990-PF, PG 1, LN 16B | 3,250. | 813. | | 2,438. |
| | <hr/> | <hr/> | <hr/> | <hr/> |

FORM 990-PF

OTHER PROFESSIONAL FEES

STATEMENT 6

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| MANAGEMENT FEES | 96,000. | 24,000. | | 72,000. |
| TO FORM 990-PF, PG 1, LN 16C | 96,000. | 24,000. | | 72,000. |
| | <hr/> | <hr/> | <hr/> | <hr/> |

FORM 990-PF

TAXES

STATEMENT 7

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|------------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| EXCISE TAX ON INVESTMENT INCOME | 40,914. | 0. | | 0. |
| TO FORM 990-PF, PG 1, LN 18 | 40,914. | 0. | | 0. |
| | <hr/> | <hr/> | <hr/> | <hr/> |

FORM 990-PF

OTHER EXPENSES

STATEMENT 8

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|--|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| OTHER DEDUCTIONS FROM K-1 - NGN BIOMED OPPOR I INVESTMENT FEE TO ML BANK FEES | 8,375. 80. 66. | 8,375. 80. 60. | | 0. 0. 6. |
| TO FORM 990-PF, PG 1, LN 23 | 8,521. | 8,515. | | 6. |
| | <hr/> | <hr/> | <hr/> | <hr/> |

FORM 990-PF

U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS

STATEMENT 9

| DESCRIPTION | U.S. GOV'T | OTHER GOV'T | BOOK VALUE | FAIR MARKET VALUE |
|---|---------------|----------------|--------------------|----------------------|
| 02/05 FHLB 5.92% | X | | 1,011,255. | 1,002,500. |
| 02/06 FHLM 6.13% | X | | 1,020,318. | 1,034,380. |
| 02/04 FNMA 5.125% | X | | 0. | 0. |
| 05/07 FNMA 7.50% | X | | 0. | 0. |
| 10/07 FFCB 6.8% | X | | 1,021,187. | 1,089,380. |
| 06/05 TVA 6.375% | X | | 1,042,816. | 1,008,750. |
| 01/06 FFCB 5.625% | X | | 1,007,343. | 1,027,500. |
| 08/07 FHLB 6.75% | X | | 1,060,580. | 1,083,130. |
| 07/08 FHLB 5.84% | X | | 999,981. | 1,074,380. |
| 08/08 FFCB 5.9% | X | | 1,035,679. | 1,075,110. |
| 07/06 FHLMC 5.5% | X | | 1,031,201. | 1,035,000. |
| 07/04 TVA 4.75% | X | | 0. | 0. |
| 12/04 UST 1.75% | X | | 0. | 0. |
| 12/05 FNMA 6.00% | X | | 1,089,554. | 1,028,130. |
| 10/06 UST 6.50% | X | | 1,151,405. | 1,059,920. |
| 11/08 UST 4.75% | X | | 1,102,974. | 1,047,380. |
| 08/10 FHLMC 4.25% | X | | 1,000,000. | 1,000,040. |
| 08/18 FHLMC 4.25% | X | | 1,000,000. | 986,460. |
| 06/13 FHLB 3.875% | X | | 915,442. | 965,000. |
| 04/14 FNMA 4.125% | X | | 910,547. | 969,060. |
| TOTAL U.S. GOVERNMENT OBLIGATIONS | | | 16,400,282. | 16,486,120. |
| TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS | | | | |
| TOTAL TO FORM 990-PF, PART II, LINE 10A | | | 16,400,282. | 16,486,120. |

FORM 990-PF

CORPORATE STOCK

STATEMENT 10

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|--|--------------------|----------------------|
| VANGUARD S&P 500 INDEX | 2,602,536. | 4,643,420. |
| 185,058 SHARES OF PHSY COMMON | 8,175,558. | 10,459,478. |
| 43,395 SHARES OF PROTECTIVE LIFE COMMON | 1,495,500. | 1,852,533. |
| 10,000 SHARES OF PHSY COMMON | 52,813. | 565,200. |
| 24,942 SHARES PHSY JRMA 1988 | 354,987. | 1,409,722. |
| PHSY \$55 CALL 1/22/05 | <114,191.> | <585,000.> |
| PHSY \$30 CALL 1/22/05 | <427,739.> | <3,757,500.> |
| PHSY \$35 CALL 1/22/05 | <34,632.> | <392,500.> |
| M/L S&P INDEX | 1,031,586. | 1,413,593. |
| 20,000 SHARES PHSY JRA | 1,084,900. | 1,130,400. |
| SPY 5/2004 | 1,002,553. | 1,099,917. |
| SPY 8/2004 | 2,000,406. | 2,254,226. |
| TOTAL TO FORM 990-PF, PART II, LINE 10B | 17,224,277. | 20,093,489. |

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 11

| DESCRIPTION | COST OR OTHER BASIS | ACCUMULATED DEPRECIATION | BOOK VALUE |
|------------------------------------|------------------------|-----------------------------|------------|
| ORGANIZATIONAL COSTS | 22,864. | 22,864. | 0. |
| OFFICE EQUIPMENT | 985. | 985. | 0. |
| OFFICE EQUIPMENT | 984. | 984. | 0. |
| TOTAL TO FM 990-PF, PART II, LN 14 | 24,833. | 24,833. | 0. |

FORM 990-PF OTHER ASSETS STATEMENT 12

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|--|------------|----------------------|
| MISCELLANEOUS RECEIVABLES | 120. | 120. |
| INVESTMENT IN SF SENTRY BALANCED EQUITY, L.P. | 911,118. | 1,007,058. |
| INVESTMENT IN NGN BIOMED OPPORTUNITY I, L.P. | 205,141. | 200,035. |
| DIVIDEND RECEIVABLE | 15,758. | 15,758. |
| TOTAL TO FORM 990-PF, PART II, LINE 15 | 1,132,137. | 1,222,971. |

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 13

| NAME AND ADDRESS | TITLE AND AVRG HRS/WK | COMPEN- SATION | EMPLOYEE BEN PLAN CONTRIB | EXPENSE ACCOUNT |
|---|--------------------------|-------------------|---------------------------------|--------------------|
| JACK R. ANDERSON 16475 DALLAS PARKWAY, SUITE 735 ADDISON, TX 75001 | DIR 3 | 0. | 0. | 0. |
| ROSE-MARIE ANDERSON 16475 DALLAS PARKWAY, SUITE 735 ADDISON, TX 75001 | DIR, SECR .25 | 0. | 0. | 0. |
| NEIL R. ANDERSON 16475 DALLAS PARKWAY, SUITE 735 ADDISON, TX 75001 | DIR, PRES, TR .25 | 0. | 0. | 0. |
| BARBARA ANDERSON MCDONALD 16475 DALLAS PARKWAY, SUITE 735 ADDISON, TX 75001 | DIR, ASST SEC 1 | 0. | 0. | 0. |
| GAIL ANDERSON CANIZARES 16475 DALLAS PARKWAY, SUITE 735 ADDISON, TX 75001 | DIR, ASST TR 1 | 0. | 0. | 0. |
| TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII | | 0. | 0. | 0. |

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 14

NAME OF MANAGER

JACK R. ANDERSON
ROSE-MARIE ANDERSON

Name ROSE-MARIE AND JACK R. ANDERSON
FOUNDATIONEmployer identification number
75-2542403

Note: In most cases, the corporation is not required to file Form 2220. (see Part I below for exceptions) because the IRS will figure any penalty owed and bill the corporation. Even if Form 2220 is not required, the corporation may still use it to figure the penalty. In such a case, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not attach Form 2220**.

Part I Reasons for Filing - Check the boxes below that apply. If any boxes are checked, and line 6, below, is \$500 or more, the corporation **must** file Form 2220, even if it does not owe a penalty.

1 The corporation is using the adjusted seasonal installment method.
 2 The corporation is using the annualized income installment method.
 3 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part II Figuring the Underpayment

4 Total tax (see instructions)

4 23,639.

5a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4
 b Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or of section 167(g) for depreciation under the income forecast method

| | |
|----|--|
| 5a | |
| 5b | |
| 5c | |

c Credit for Federal tax paid on fuels (see instructions)

d Total. Add lines 5a through 5c

6 Subtract line 5d from line 4. If the result is less than \$500, **do not complete or file this form**. The corporation does not owe the penalty7 Enter the tax shown on the corporation's 2003 income tax return. **Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 6 on line 8**6 23,639.
7 45,296.
8 23,639.8 Enter the **smaller** of line 6 or line 7. If the corporation is required to skip line 7, enter the amount from line 6

| | (a) | (b) | (c) | (d) | (e) |
|---|------------|----------|----------|----------|----------|
| 9 Installment due dates. Enter in col (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 8th, and 12th mos of the corporation's tax year | 9 05/15/04 | 06/15/04 | 09/15/04 | 10/01/04 | 12/15/04 |
| Exception. If one of your installment due dates is Sept 15, 2004, see the instructions | | | | | |
| 10 Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 38. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column | 10 5,910. | 5,910. | 4,727. | 1,182. | 5,910. |
| 11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15 | 11 5,000. | 5,000. | 5,000. | | 5,000. |
| Complete lines 12 through 18 of one column before going to the next column | | | | | |
| 12 Enter amount, if any, from line 18 of the preceding column | 12 | | | | |
| 13 Add lines 11 and 12 | 13 | 5,000. | 5,000. | | 5,000. |
| 14 Add amounts on lines 16 and 17 of the preceding column | 14 | | 910. | 1,820. | 1,547. |
| 15 Subtract line 14 from line 13. If zero or less, enter -0- | 15 | 5,000. | 4,090. | 3,180. | 0. |
| 16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0- | 16 | | 0. | 0. | 1,547. |
| 17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18 | 17 | 910. | 1,820. | 1,547. | 1,182. |
| 18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column | 18 | | | | 3,639. |

Go to Part III on page 2 to figure the penalty. Do not go to Part III if there are no entries on line 17 - no penalty is owed.

Part III Figuring the Penalty

| | (a) | (b) | (c) | (d) | (e) |
|---|-----|-----|-----|-----|------|
| 19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions) (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month) | 19 | | | | |
| 20 Number of days from due date of installment on line 9 to the date shown on line 19 | 20 | | | | |
| 21 Number of days on line 20 after 4/15/2004 and before 7/1/2004 | 21 | | | | |
| 22 Underpayment on line 17 x Number of days on line 21 x 5% 366 | 22 | \$ | \$ | \$ | \$ |
| 23 Number of days on line 20 after 6/30/2004 and before 10/1/2004 | 23 | | | | |
| 24 Underpayment on line 17 x Number of days on line 23 x 4% 366 | 24 | \$ | \$ | \$ | \$ |
| 25 Number of days on line 20 after 9/30/2004 and before 1/1/2005 | 25 | | | | |
| 26 Underpayment on line 17 x Number of days on line 25 x 5% 366 | 26 | \$ | \$ | \$ | \$ |
| 27 Number of days on line 20 after 12/31/2004 and before 4/1/2005 | 27 | | | | |
| 28 Underpayment on line 17 x Number of days on line 27 X 5% 365 | 28 | \$ | \$ | \$ | \$ |
| 29 Number of days on line 20 after 3/31/2005 and before 7/1/2005 | 29 | | | | |
| 30 Underpayment on line 17 x Number of days on line 29 x *% 365 | 30 | \$ | \$ | \$ | \$ |
| 31 Number of days on line 20 after 6/30/2005 and before 10/1/2005 | 31 | | | | |
| 32 Underpayment on line 17 x Number of days on line 31 x *% 365 | 32 | \$ | \$ | \$ | \$ |
| 33 Number of days on line 20 after 9/30/2005 and before 1/1/2006 | 33 | | | | |
| 34 Underpayment on line 17 x Number of days on line 33 x *% 365 | 34 | \$ | \$ | \$ | \$ |
| 35 Number of days on line 20 after 12/31/2005 and before 2/18/2006 | 35 | | | | |
| 36 Underpayment on line 17 x Number of days on line 35 x *% 365 | 36 | \$ | \$ | \$ | \$ |
| 37 Add lines 22, 24, 26, 28, 30, 32, 34, & 36 | 37 | \$ | \$ | \$ | \$ |
| 38 Penalty. Add columns (a) through (e), of line 37. Enter the total here and on Form 1120; line 33, Form 1120-A, line 29; or the comparable line for other income tax returns | 38 | \$ | | | 130. |

* For underpayments paid after March 31, 2005: For lines 30, 32, 34, and 36, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

JWA

Form 2220 (2004)

FORM 990-PF
UNDERPAYMENT OF ESTIMATED TAX WORKSHEET

Penalty Due (Sum of Column F).

130.

* Date of estimated tax payment, withholding credit date or installment due date.

Anderson Foundation**YEAR 2004**

| | <u>STATUS</u> | <u>PURPOSE</u> | <u>RELATIONSHIP</u> | <u>2004 DONATION</u> |
|---|---------------|-------------------------|---------------------|--------------------------|
| Black Mountain Conservancy P O Box 7192 Cave Creek, AZ 85327 | Public | Environment | None | 10,000 |
| Children's Scholarship Fund 7 West 57 th Street New York, NY 10019-3404 | Public | Education | None | 250,000 |
| Columbia Business School 820 Uris Hall, 3022 Broadway New York, NY 10027 | Public | Education | None | 20,000 |
| Commonweal Foundation 10770 Columbia Pike, Ste 100 Silver Spring, MD 20901 | Public | Education | None | 40,000 |
| Greenwich Hospital Radiological Dept. 89 Lake Avenue Greenwich, CT 06830 | Public | Health | None | 5,000 |
| Hoover Institution Stanford University Stanford, CA 94305 | Public | Education | None | 50,000 |
| Indian River Habitat For Humanity 4568 North US Highway 1 Vero Beach, FL 32967 | Public | Health, Educ Welfare | None | 20,000 |
| Miami Univ. School of Bus. 104 Laws Hall Oxford, OH 45056 | Public | Education | None | 785,000 |
| Milton & Rose D. Friedman Fdn Public One American Square Box 82078 Indianapolis, IN 46282 | | Education | None | 225,000 |

| | | | | |
|--|--------|-------------------------|------|--------|
| National Acad Sci, Engr & Institute of Medicine 2101 Constitution Ave., NW Washington, DC 20418 | Public | Medicine | None | 63,500 |
| National Ctr for Policy Analysis 12655 N. Central Expy, Ste 720 Dallas, TX 75243 | Public | Health, Educ Welfare | None | 40,000 |
| Palmer R. Chitester Fund, Inc. 1502 Powell Avenue Erie, PA 16505 | Public | Education | None | 20,000 |
| Parks and Recreation Fdn Town of Greenwich P O Box 2540 Greenwich, CT 06836 | Public | Education | None | 5,000 |
| Pathways, Inc. 175 Milbank Avenue Greenwich, CT 06830 | Public | Mental Illness | None | 30,000 |
| Phoenix Art Museum 1625 N Central Avenue Phoenix, AZ 85004 | Public | Art | None | 4,000 |
| Pilgrims' Peace Center P O Box 1439 Crystal River, FL 34429 | Public | Religious | None | 5,000 |
| Student Sponsor Partners 21 East 40th Street, Ste 1601 New York, NY 10016 | Public | Education | None | 25,000 |
| The Carolyn Stolman Fund Sonoma State University 1801 E. Cotati Avenue Rohnert Park, CA 94928 | Public | Education | None | 25,000 |
| The Smile Train 245 Fifth Avenue, Suite 2201 New York, NY 10016 | Public | Medical | None | 250 |

Vanguard Charitable Endowmt Public Health, Educ None 27,000
Fund
P O Box 3075
Southeastern, PA 19398-9917 Welfare

Fdn/Contrib_AddressList_2004